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C O N F I D E N T I A L SECTION 01 OF 03 PRAGUE 000044

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TAGS: [PREL](#) [PGOV](#) [MARR](#) [ENRG](#) [EZ](#)
SUBJECT: A/S FRIED IN PRAGUE: MISSILE DEFENSE, VISAS,
AFGHANISTAN, KOSOVO, ENERGY

Classified By: Ambassador Richard W Graber for reasons 1.4 b+d

¶1. (C) Summary: In discussions with senior Czech officials in Prague on January 11, A/S Fried covered the following:
-- Missile Defense: the President is likely to reach a decision soon that will initiate a period of negotiations with the Czechs and/or Poles about terms for basing MD assets in their countries;
-- Visas: prospects are uncertain in Congress for the President's proposed revisions to the visa waiver program; there is much work to be done on all sides; the Czechs promised continued engagement;
-- Afghanistan: Fried urged the Czechs to make a credible offer to increase their engagement in Afghanistan, welcomed a Czech plan to run a PRT in 2008, and urged the GOCR to drop their (limited) caveats on troops, which they appear likely to do;
-- Kosovo: all Czechs expressed great concern about near-term developments, including Serb reaction to the Ahtisaari plan and difficulties winning a UNSCR vote; Fried explained USG views, stressing that the status quo is not sustainable;
-- Iraq: Fried briefed on the President's new proposals; the Czechs pledged continued support and deployments;
-- Energy security: the Prime Minister expressed growing Czech concern about Russian influence, and asked for USG assistance in stopping the likely sale of Conoco's Czech assets to a Russian firm;
-- Domestic and bilateral relations: government officials expressed measured optimism about the January 19 vote of confidence; government and opposition agreed that U.S.-Czech relations are critical and will remain positive no matter what the political situation. End summary.

¶2. (C) On January 11 EUR A/S Daniel Fried consulted separately with PM Mirek Topolánek, FM Karel Schwarzenberg, Deputy PM (and former FM) Alexandr Vondra, and head of the opposition CSSD (and former PM) Jiri Paroubek. He also did two press interviews. A/S Fried's visit to Prague took place in the context of continued government transition: Topolánek's second government was appointed on January 9; Schwarzenberg was in only his second day as ForMin. It had been announced the day previous that the government's vote of confidence would take place on January 19.

Missile Defense

¶3. (C) In each of his meetings and with the press, Fried stressed that he was not in Prague to make any announcements on location of missile defense (MD) assets in Central Europe. He predicted that the President would make the final decision on a third MD site in the coming weeks. He pledged USG efforts to limit leaks before the formal decision was passed to the Czechs and/or Poles, but reminded his interlocutors that leaks are common in Washington. With government officials he recommended that the Czech embassy

maintain close contact with the NSC. Fried stressed that the USG decision would only be the start of a negotiating process. Asked by Vondra how quickly the USG expected the Czechs to conclude an agreement on basing, Fried replied that he wants to be sure that the Czechs and/or Poles have the time necessary to have all of their questions answered. He promised to remind USG officials involved of the need to provide all necessary information to include, as necessary, any information on possible Russian concerns. Fried urged government leaders to let him know if there was any need for a more "political discussion."

14. (C) All government officials expressed their continued support for MD in the Czech Republic, but made clear their strong desire for details on timing and the specifics of a decision (i.e., which site). FM Schwarzenberg asked whether the new Congress was likely to support the MD program (Fried said yes, citing the broad acknowledgment of Iranian and other threats). CSSD Chairman Paroubek complained that, when he was Prime Minister, he had not been briefed on the MD issue, and had been forced to respond to press inquiries when the MD issue arose only "two weeks" before the June 2006 election. Given the timing, Paroubek said he had to reply publicly in a manner that he thought his constituents wanted to hear, i.e., by criticizing the proposal. He said that within his party the issue remained sensitive and that even a radar-only proposal would be controversial. Of importance for CSSD voters will be the size of a facility: "one thousand people would be a problem; dozens we can discuss." Paroubek promised that CSSD, in opposition, would be a "responsible" partner on MD, and urged the USG to let him know as soon as any decision is reached so that he could begin working within his party. (Note: although CSSD press spokesman later claimed that the MD discussion encompassed

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the question of a referendum, this issue was not raised during the meeting.)

Visa Waiver

15. (C) Both Topolanek and Schwarzenberg began their meetings by effusively thanking Fried for the President's November announcement in Tallinn that he intended to seek modifications in the visa waiver program. Fried responded that it is too soon for thanks. He stressed that there is much work to be done in Congress, and that the fate of the USG proposals in Congress is far from certain. He urged government officials to remain engaged and to continue to work with the administration and Congress. CSSD Chairman Paroubek also stressed the importance of the visa issue both as a "psychological" issue for Czechs and because of the benefits of travel to building bilateral ties. He criticized the Topolanek government for being too optimistic. (Comment: Unfortunately, a statement made by FM Schwarzenberg following the Fried meeting -- in which he repeated the months-old mantra of former FM Vondra that a change in VWP was possible within two years -- gave some credence to Paroubek's views. We will work with the GOCR to make sure their rhetoric does not get in front of reality. The January 24 visit to Prague of DHS A/S Rosenzweig will help with this effort.)

Iraq & Afghanistan

16. (C) Fried provided a summary of the President's new Iraq proposals, which were made the evening before his meetings. Czech officials promised to continue their engagement in Iraq. Fried spent considerable time in all meetings discussing Afghanistan. He promised that new U.S. engagement in Iraq would not come at the expense of Afghanistan. He thanked the Czechs for their current efforts there, but

explained the importance of preparing now for a multifaceted spring offensive against the Taliban. Fried said we would be coming to the Czechs with specific proposals in advance of the January 26 NATO Ministerial. But he noted that the Czechs had already made a good start by approving last month (at the cabinet level, not yet parliament) plans to take over the Hungarian PRT in 2008, plus a recent proposal to send a field hospital to Afghanistan later this year. He strongly urged the government to announce that it would give up two relatively minor caveats on some of its troops in Afghanistan, noting the strong precedent effect this could have for other countries. PM Topolánek (who had been briefed on the caveat issue following the earlier meeting with the ForMin) said the caveats should not be a problem.

Kosovo

¶7. (C) All the Czech interlocutors wanted to discuss Kosovo at length. Government officials stressed full official support for the Contact Group positions and the proposals that Ahtisaari is preparing for some form of limited independence for Kosovo. However, they were concerned about developments in the coming months. In response to questions and concerns, Fried offered the following:

- timing: Ahtisaari's report should be presented in early February;
- Russia/UN: the USG will draft a "veto-proof" UNSCR; we expect difficult negotiations with the Russians, but expect to ultimately prevail; we will not compromise on Georgia in these talks;
- UN/EU: USG acknowledges that a UNSCR is a requirement for the EU; we are working on the assumption that there will be a resolution, but Kosovo status is so critical that we are also looking at what would be required if a UNSCR does not succeed;
- KFOR: we believe that KFOR should remain after Kosovo independence;
- Serbia: we agree that a European future is important for the Serbs; Partnership for Peace was a good step;
- Czech role: important for Czechs to use their influence with Belgrade to urge them to accept a settlement.

¶8. (C) Deputy PM Vondra, after lamenting the sorry state of European foreign policy leadership today, explained that much of the concern in Europe about Kosovo stems from a fear that an independent Kosovo will become an Islamic fundamentalist state within Europe.

¶9. (C) CSSD Chairman Paroubek, supported by CSSD Shadow FM Zaorálek, took a different approach. Both said they feared a "technocratic" solution (i.e., the independence proposal

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Ahtisaari will offer) because it ignores the reality of both Serbia's "proud history" and the fate of 200,000 Kosovar Serbs who will never be able to live in an independent Kosovo. While taking pains not to criticize USG policy (they referred only to a "radical" assessment they had seen written by Senator Biden), and making reference to meetings with Serb PM Kostunica at recent European Socialist party conferences, Paroubek and Zaorálek suggested that the U.S. needed to consider the possibility of dividing Kosovo. Fried responded with a detailed rebuttal of these points, explaining why the status quo in Kosovo is not sustainable, and why existing borders needed to be retained to avoid wider disruptions.

Energy security

¶10. (C) As he has in previous meetings, PM Topolánek devoted considerable attention to energy security. As a general point, he strongly agreed with Fried's assessment that Europe needed to diversify energy supplies, noting that the importance of supply routes via Turkey was one reason why his

party strongly supported EU membership for Turkey. He went on to inform Fried of two specific energy security issues involving U.S. firms in the Czech Republic: the potential sale of ConocoPhillips share in the largest Czech refinery to a Russian firm, and Westinghouse's loss of the contract to supply fuel to the Temelin nuclear power plant to a Russian firm (apparently for reasons related to quality of the fuel supplied). Without making a specific request, Topolanek said he wanted to "inform" Fried directly about these issues. (Note: post has already had subsequent discussions about these two cases, which included explicit GOCR requests for USG engagement. These will be explained in detail septel). Fried concluded by urging the Czechs and other Central Europeans to put pressure on Germany to approach the energy security question more strategically (Note: German Chancellor Merkel will visit Prague January 26).

Domestic politics/bilateral relations

11. (C) Fried wished all his official interlocutors good luck in resolving the political situation. Topolanek, who was in very good spirits during the meeting, described the past seven months without a confirmed government "interesting." He noted that he hoped to begin thinking about a visit to Washington "when the situation is stable." All officials stressed that the political uncertainty had no impact on Czech-American relations. CSSD Chairman Paroubek went to great lengths to stress his party's devotion to transatlantic relations and his personal desire to make sure that this party and his country were both a reliable partner for the United States. He also said he hoes to increase cooperation with the Democratic prty.
GRABER